

6 / 69

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Release Date 1/16/02

MOREHOUSE SALES AND USE TAX COMMISSION  
BASTROP, LOUISIANA

FINANCIAL REPORT

June 30, 2001

## CONTENTS

	Page(s)
INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION	1 and 2
GENERAL-PURPOSE FINANCIAL STATEMENTS (COMBINED STATEMENTS - OVERVIEW)	
Combined balance sheet - fund type and account group	3
Statement of revenues, expenditures, and changes in fund balance - budget and actual - general fund	4
Notes to financial statements	5 - 12
SUPPLEMENTARY INFORMATION	
Schedule of general fund expenditures - budget and actual	13
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	14 and 15
SCHEDULE OF FINDINGS AND QUESTIONED COSTS WITH MANAGEMENT'S PLANNED CORRECTIVE ACTION	16 and 17
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS	18

# HILL, INZINA & COMPANY

## INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Board of Commissioners  
Morehouse Sales and Use Tax Commission  
Bastrop, Louisiana

We have audited the accompanying general-purpose financial statements of Morehouse Sales and Use Tax Commission, as of and for the year ended June 30, 2001, as listed in the table of contents. These general-purpose financial statements are the responsibility of the management of Morehouse Sales and Use Tax Commission. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of Morehouse Sales and Use Tax Commission, as of June 30, 2001, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2001, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements of Morehouse Sales and Use Tax Commission. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general-purpose financial statements taken as a whole.

*Hill, Morgan & Co.*

October 24, 2001

GENERAL-PURPOSE FINANCIAL STATEMENTS

(COMBINED STATEMENTS - OVERVIEW)

MOREHOUSE SALES AND USE TAX COMMISSION  
BASTROP, LOUISIANA

COMBINED BALANCE SHEET - FUND TYPE AND ACCOUNT GROUP  
June 30, 2001

	Governmental <u>Fund Type</u>	Account <u>Group</u>	Totals - (Memo- randum Only)
	<u>General</u>	<u>General</u> <u>Fixed Assets</u>	
<b>ASSETS</b>			
Cash	\$ 25,212	\$ -	\$ 25,212
Investments	40,000	-	40,000
Fixed assets	<u>-</u>	<u>55,814</u>	<u>55,814</u>
Total assets	<u>\$ 65,212</u>	<u>\$ 55,814</u>	<u>\$ 121,026</u>
<b>LIABILITIES, EQUITY, AND OTHER CREDITS</b>			
Liabilities:			
Accounts payable	\$ 1,421	\$ -	\$ 1,421
Accrued liabilities	<u>2,689</u>	<u>-</u>	<u>2,689</u>
Total liabilities	<u>\$ 4,110</u>	<u>\$ -</u>	<u>\$ 4,110</u>
Equity and other credits:			
Investment in general fixed assets	\$ -	\$ 55,814	\$ 55,814
Fund balance - unreserved and undesignated	<u>61,102</u>	<u>-</u>	<u>61,102</u>
Total equity and other credits	<u>\$ 61,102</u>	<u>\$ 55,814</u>	<u>\$ 116,916</u>
Total liabilities, equity, and other credits	<u>\$ 65,212</u>	<u>\$ 55,814</u>	<u>\$ 121,026</u>

See notes to financial statements.

MOREHOUSE SALES AND USE TAX COMMISSION  
BASTROP, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL - GENERAL FUND  
Year Ended June 30, 2001

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
Revenues:			
Charges for services	\$ 150,000	\$ 149,976	\$ ( 24)
Interest and miscellaneous	<u>3,200</u>	<u>4,367</u>	<u>1,167</u>
	<u>\$ 153,200</u>	<u>\$ 154,343</u>	<u>\$ 1,143</u>
Expenditures:			
Current:			
General government:			
Personal services	\$ 104,400	\$ 97,876	\$ 6,524
Operating services	27,470	33,271	( 5,801)
Professional services	10,430	8,740	1,690
Travel and education	5,900	6,843	( 943)
Capital outlay	<u>5,000</u>	<u>4,656</u>	<u>344</u>
	<u>\$ 153,200</u>	<u>\$ 151,386</u>	<u>\$ 1,814</u>
Excess of revenues over expenditures	\$ -	\$ 2,957	\$ 2,957
Fund balance - beginning	<u>58,145</u>	<u>58,145</u>	<u>-</u>
Fund balance - ending	<u>\$ 58,145</u>	<u>\$ 61,102</u>	<u>\$ 2,957</u>

See notes to financial statements.



MOREHOUSE SALES AND USE TAX COMMISSION  
BASTROP, LOUISIANA

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2001

Note 1. Organization and Summary of Significant Accounting Policies

Morehouse Sales and Use Tax Commission (the "Commission") was created by joint agreement of the sales and use taxing bodies of Morehouse Parish, Louisiana, on May 7, 1992, pursuant to Article VII, Section 3, of the Louisiana Constitution. The purpose of the Commission is to provide joint collection, enforcement, and administration of sales and use tax within Morehouse Parish. The governing body of the Commission consists of a nine member Board of Commissioners which are appointed as follows:

	<u>Members Appointed</u>
Morehouse Parish School Board	2
Morehouse Parish Police Jury	1
Sheriff of Morehouse Parish	1
City of Bastrop	2
Village of Mer Rouge	1
Village of Bonita	1
Village of Collinston	1

Each appointee of Morehouse Parish School Board and City of Bastrop, as well as the appointees of Morehouse Parish Police Jury and Sheriff of Morehouse Parish, have one full vote as a commissioner and the appointees from Village of Mer Rouge, Village of Bonita, and Village of Collinston have one-third vote each as a commissioner. Each appointed commissioner serves a one year term ending on June 30th of each year.

On December 21, 1999, the Commission entered into a joint agreement with Morehouse Parish Tourism Commission to collect, enforce, and administer the respective hotel/motel occupancy tax as authorized and levied by Morehouse Parish Tourism Commission within the boundaries of Morehouse Parish. The joint agreement also authorizes the Commission to institute suits in the name of Morehouse Parish Tourism Commission to enforce the collection of such tax.

The joint agreement became effective on January 1, 2000, and continues in effect until either party serves a ninety day written notice of cancellation. For services performed by the Commission under the joint agreement, Morehouse Parish Tourism Commission will pay the Commission \$50 per month for collection of ten and under account transactions of any tax activity. If the number of tax account activities exceeds the maximum of ten accounts, the collection fee will be determined at the time of renewal of the joint agreement.



## NOTES TO FINANCIAL STATEMENTS

The more significant of the Commission's accounting policies are described below:

### Basis of Presentation:

The accompanying general-purpose financial statements of the Commission have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Government Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

### Financial Reporting Entity:

The Commission is a jointly appointed stand-alone government, as it meets neither the criteria of a primary government, nor a component unit, since its governing board is not elected, and it is not financially accountable or fiscally dependent upon any of the constituent governments.

### Fund Accounting:

The Commission uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The fund of the Commission is classified into the category of governmental funds. In turn, this category is divided into a separate fund type. The fund classification and a description of the existing fund type follow:

#### Governmental fund:

The governmental fund is used to account for all of the Commission's general activities, including the collection and disbursement of specific or legally restricted monies, and the acquisition or construction of general fixed assets. The governmental fund is:

General Fund - the general operating fund of the Commission and accounts for all financial resources.

## NOTES TO FINANCIAL STATEMENTS

### Basis of Accounting:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental fund is accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The operating statement of the fund presents increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental fund.

The modified accrual basis of accounting recognizes revenues when both "measurable" and "available". Measurable means the amount can be determined and available means collectible within the current period or soon enough thereafter to pay current liabilities. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred. Revenues are not susceptible to accrual because generally they are not measurable until received in cash.

### Budgets and Budgetary Accounting:

The budget for the General Fund is proposed by the Administrator and formally adopted by the Commissioners. The annual budget is prepared in accordance with the basis of accounting utilized by the fund. Budgetary amendments, involving the transfer of funds from one function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated, require approval of the Commissioners. All annual appropriations lapse at fiscal year end.

The budget for the General Fund was adopted by the Commissioners on April 27, 2000. The Commissioners authorized budget adjustments on April 30, 2001, which are reflected in the budget comparison.

### Encumbrances:

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Commission.

### Cash:

Cash includes amounts in interest-bearing demand deposits. Under state law, the Commission may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

## NOTES TO FINANCIAL STATEMENTS

### Investments:

Investments are limited by Louisiana Revised Statute 33:2955. If the original maturities of time deposits exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. At June 30, 2001, the Commission's investments consist of non-negotiable certificates of deposit that are reported in the accompanying financial statements at cost.

### Fixed Assets:

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the General Fixed Assets Account Group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or, if donated, assets are valued at their estimated fair market value on the date of donation.

### Accumulated Compensated Absences:

The cost of vacation is recognized in the governmental fund when actually paid to employees. No liability is recorded for nonvesting accumulating rights to receive vacation or sick pay benefits.

The Commission's personnel policy allows employees annual vacation based on the length of continuous full-time employment and is accrued on the employee's anniversary date. Vacation time must be taken in the year following that in which it was accrued and cannot be carried over and accumulated from year to year. If an employee is unable to utilize his/her full vacation during the year following that in which it was accrued, the unused portion will be credited as extended sick leave.

### Revenue Recognition:

Fees for the collection of sales and use taxes are recorded when the Commission is entitled to the funds which is normally the same month the taxes are collected by the Commission.

### Total Column on Combined Statement - Overview:

The total column on the combined balance sheet is captioned "memorandum only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

## NOTES TO FINANCIAL STATEMENTS

### Note 2. Cash and Investments

At June 30, 2001, the Commission had cash and investments (book balances) as follows:

Interest-bearing demand deposits	\$ 25,112
Investments	40,000
Petty cash	<u>100</u>
	<u>\$ 65,212</u>

The deposits are stated at cost, which approximates market. Under state law, the deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held jointly in the name of the pledging fiscal agent bank and the Commission in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2001, the Commission had \$500,174 in deposits (collected bank balances) which were secured from risk by \$100,000 of federal deposit insurance (GASB Category 1) and \$400,174 of pledged securities held by the Commission or its agent in the Commission's name (GASB Category 2).

There were no repurchase or reverse repurchase agreements at June 30, 2001.

### Note 3. Changes in General Fixed Assets

A summary of the changes in the General Fixed Assets Account Group is as follows:

	Balance June 30, <u>2000</u>	<u>Additions</u>	<u>Retirements</u>	Balance June 30, <u>2001</u>
Furniture and equipment	\$ <u>51,158</u>	\$ <u>4,656</u>	\$ <u>-</u>	\$ <u>55,814</u>



## NOTES TO FINANCIAL STATEMENTS

### Note 4. Pension Plan

All full-time employees of the Commission are members of Municipal Employees' Retirement System of Louisiana (the "System"), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All participating employees of the Commission are members of Plan A.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from Commission funds are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produces the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to Municipal Employees' Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

#### Funding Policy:

Under Plan A, members are required by state statute to contribute 9.25% of their annual covered salary and the Commission is required to contribute at an actuarially determined rate. The current rate is 6.25% of annual covered payroll. Contributions to the System also include 1/4 of 1% (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Commission are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Commission's contributions to the System under Plan A for the years ended June 30, 2001, 2000, and 1999, were \$4,726, \$5,037, and \$4,533, respectively, equal to the required contributions for each year.

## NOTES TO FINANCIAL STATEMENTS

### Note 5. Deferred Compensation Plan

The Commission offers all full-time employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination retirement, death, or unforeseeable emergency except for a one-time withdrawal which is subject to certain restrictions

All assets of the plan, including all deferred amounts, property, and rights purchased with deferred amounts, and all income attributable to such deferred amounts, property, or rights, are held in a qualified trust, custodial account, or annuity contract for the exclusive benefit of the participants and beneficiaries. The assets are not subject to the claims of the Commission's creditors nor can they be used by the Commission for any purpose other than the payment of benefits to those individuals participating in the plan or their designated beneficiaries.

Investments are managed by the plan's trustee under a number of investment options. The choice of the investment option(s) is made by the individual employee.

### Note 6. Changes in Agency Fund Balances

The following is a summary of the sales and use tax and hotel/motel occupancy tax collected and paid to constituents and the General Fund of the Commission for the year ended June 30, 2001:



## NOTES TO FINANCIAL STATEMENTS

### Collections:

Sales and use tax	\$ 11,979,102
Hotel/motel occupancy tax	<u>26,464</u>
	<u>\$ 12,005,566</u>

### Remittances:

Taxes distributed:	
Morehouse Parish School Board	\$ 4,117,700
Morehouse Parish Police Jury	1,374,810
Morehouse Parish Sheriff	1,372,572
City of Bastrop	4,722,498
Village of Mer Rouge	196,382
Village of Bonita	18,700
Village of Collinston	20,155
Morehouse Parish Tourism Commission	25,864
Refunded sales and use tax	6,759
Refunded state sales tax	1,942
Collection costs reimbursed to General Fund	2,348
Collection fee to Morehouse Sales and Use Tax Commission	149,976
Other adjustments	<u>( 4,140)</u>
Total remittances	<u>\$ 12,005,566</u>

### Note 7. Risk Management

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Commission carries commercial insurance for all risks of loss, including workers' compensation and employee health and accident insurance. Settlement amounts have not exceeded insurance coverage for the current year or the three prior fiscal years.

## SUPPLEMENTARY INFORMATION

MOREHOUSE SALES AND USE TAX COMMISSION  
BASTROP, LOUISIANA

SCHEDULE OF GENERAL FUND EXPENDITURES - BUDGET AND ACTUAL  
Year Ended June 30, 2001

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
Current:			
General government:			
Personal services:			
Salaries	\$ 83,551	\$ 81,456	\$ 2,095
Retirement	5,640	4,726	914
Group health insurance	12,105	10,013	2,092
Payroll taxes	1,449	1,191	258
Workers' compensation insurance	655	490	165
Unemployment insurance	1,000	-	1,000
Total personal services	<u>\$ 104,400</u>	<u>\$ 97,876</u>	<u>\$ 6,524</u>
Operating services:			
Dues and subscription	\$ 700	\$ 425	\$ 275
Printed forms	2,000	1,633	367
Postage and permits	4,100	5,760	( 1,660)
Telephone	4,100	4,062	38
Office rent and utilities	8,870	10,218	( 1,348)
Repairs and maintenance	3,200	2,729	471
Office supplies	2,000	3,229	( 1,229)
Other	-	1,000	( 1,000)
Computer upgrades	2,500	4,215	( 1,715)
Total operating services	<u>\$ 27,470</u>	<u>\$ 33,271</u>	<u>\$ ( 5,801)</u>
Professional services:			
Bank charges	\$ 30	\$ 4	\$ 26
Legal	4,000	4,109	( 109)
Audit	2,800	2,871	( 71)
Insurance	3,600	1,756	1,844
Total professional services	<u>\$ 10,430</u>	<u>\$ 8,740</u>	<u>\$ 1,690</u>
Travel and education	<u>\$ 5,900</u>	<u>\$ 6,843</u>	<u>\$ ( 943)</u>
Capital outlay			
Equipment	\$ 4,000	\$ 3,779	\$ 221
Furniture	1,000	877	123
Total capital outlay	<u>\$ 5,000</u>	<u>\$ 4,656</u>	<u>\$ 344</u>
Total general fund expenditures	<u>\$ 153,200</u>	<u>\$ 151,386</u>	<u>\$ 1,814</u>

# HILL, INZINA & COMPANY

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Commissioners  
Morehouse Sales and Use Tax Commission  
Bastrop, Louisiana

We have audited the general-purpose financial statements of Morehouse Sales and Use Tax Commission, as of and for the year ended June 30, 2001, and have issued our report thereon dated October 24, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Commission's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 2001-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the reportable condition described above to be a material weakness.

This report is intended for the information and use of management, others within the organization, and Board of Commissioners, and is not intended to be and should not be used by anyone other than these specified parties.

*Hill, Drayton & Co.*

October 24, 2001



MOREHOUSE SALES AND USE TAX COMMISSION  
BASTROP, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
WITH MANAGEMENT'S PLANNED CORRECTIVE ACTION  
Year Ended June 30, 2001

We have audited the general-purpose financial statements of Morehouse Sales and Use Tax Commission, as of and for the year ended June 30, 2001, and have issued our report thereon dated October 24, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the general-purpose financial statements as of June 30, 2001, resulted in an unqualified opinion.

Section I - Summary of Auditor's Report

Report on Compliance and Internal Control Material to the Financial Statements

Compliance

Compliance Material to Financial Statements ☐ Yes ☒ No

Internal Control

Material Weaknesses ☒ Yes ☐ No      Reportable Conditions ☒ Yes ☐ No

Section II - Financial Statement Findings

2001-1      Inadequate Segregation of Duties (finding was cited in first audit conducted by our firm as of and for the year ended June 30, 1994)

Criteria:              Adequate segregation of duties is essential to a proper internal control structure.

Condition:            The segregation of duties is inadequate to provide effective internal control.

Cause:                The condition is due to economic and space limitations.

Effect:                Not determined.

Recommendation:    No action is recommended.



Management's  
response and  
planned cor-  
rective action:

We concur in the finding, but it is not economically feasible nor does space allow for corrective action to be taken.

### Section III - Management Letter

None issued.

MOREHOUSE SALES AND USE TAX COMMISSION  
BASTROP, LOUISIANA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
Year Ended June 30, 2001

Section I - Compliance and Internal Control Material to Financial Statements

2000-1    Noncompliance with State Statute

The governing authority was not notified during the year when actual expenditures plus projected expenditures to year end exceeded budgeted expenditures.

No longer applicable.

2000-2    Inadequate Segregation of Duties

Adequate segregation of duties is essential to proper internal control.

Unresolved - 2001-1.

Section II - Management Letter

None issued.